

# ARIZONA STATE BOARD OF ACCOUNTANCY

## OPEN SESSION MINUTES

**November 17, 2008**

Members of the Arizona State Board of Accountancy held a meeting at 8:17 a.m. on Monday, November 17, 2008 at the Accountancy Board Office in Suite 165, 100 N. 15<sup>th</sup> Avenue, Phoenix, Arizona 85007. An Executive Session was held from 9:14 a.m. to 12:09 p.m.

### **BOARD MEMBERS:**

☉ Patrick J. Ramirez ..... President  
\*☉ Debbi Fitzgerald, CPA ..... Treasurer  
☎ Samuel L. Fogleman, CPA ..... Secretary  
✕ Marianne E. DeVries, CPA ..... Member  
Gary W. Fleming, CPA ..... Member  
Mark L. Landy, CPA ..... Member  
James E. May ..... Member

☎ Appeared telephonically from 8:17 a.m. to 11:18 a.m.

☉ Arrived at 8:24 a.m.

\*☉ Left at 12:01 p.m.

✕ Absent

### **OTHERS PRESENT:**

Monica L. Petersen ..... Executive Director  
Jim Dubé ..... Deputy Director  
Daniel R. Christl, Esq. .... Assistant Attorney General  
Ryan P. Edmonson ..... Programs & Projects Specialist II  
Yolanda M. Barajas ..... Administrative Assistant III  
Elena N. Frausto ..... Administrative Assistant III

### **GUESTS PARTICIPATING:**

Jena Ford ..... Director of Professional Development, ASCPA  
Terri M. Hulse, CPA ..... Registrant

The meeting was called to Order at 8:17 a.m. by Debbi Fitzgerald, Treasurer. The following Order of business was then considered:

## **OPEN SESSION**

### **CALL TO THE PUBLIC**

Terri M. Hulse, CPA and Carol Kerich requested to address the Board, when appropriate.

### **MINUTES**

#### **October 6, 2008 Board Meeting**

A motion was made by James E. May, seconded by Mark L. Landy and passed to approve the Open Session Minutes from the October 6, 2008 Board meeting, as amended.

#### **October 6, 2008 Board Meeting**

A motion was made by James E. May, seconded by Mark L. Landy and passed to approve the Executive Session Minutes from the October 6, 2008 Board meeting.

### **DECLARATION OF CONFLICTS OF INTEREST**

Mark L. Landy, CPA declared conflicts on J. R. Robinett CPA PLC Partner: James R. Robinett and Corliss, Christopher R. CPA of the consent agenda.

Debbi Fitzgerald, CPA declared conflicts on Kelly Renee Weldner and Gary Michaels of the consent agenda.

Gary W. Fleming, CPA declared conflicts on Cynthia Ann Johnson of the consent agenda and Jonathan M. Poppel agenda item 15-f.

Samuel L. Fogleman, CPA declared a conflict on Kristin D. St. Raymond of the consent agenda.

### **CONSENT AGENDA**

(The Board may pull any of the following items off the consent agenda to take individual action.) Board discussion and legal action on the following items:

Due to conflicts, Mark L. Landy requested J. R. Robinett CPA PLC and Christopher R. CPA be pulled from the consent agenda and voted on separately.

Due to conflicts, Debbi Fitzgerald requested Kelly Renee Weldner and Gary Michaels be pulled from the consent agenda and voted on separately.

Due to a conflict, Gary W. Fleming requested Cynthia Ann Johnson be pulled from the consent agenda and voted on separately.

Due to a conflict, Samuel L. Fogleman requested Kristin D. St. Raymond be pulled from the consent agenda and voted on separately.

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to accept the following consent agenda:

- a. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants (Meet the requirements of A.R.S. § 32-735):

Arizona Business Angels PLLC  
Partner: Sandra Giani Kipnes 13145-E

A Taxing Solution LLC  
Partner: Todd Weinstein 12524-E

Sharon E. Witherspoon CPA PLLC  
Partner: Sharon E. Witherspoon 2947-E

Minniti CPA LLC  
Partner: Robert K. Minniti 12824-E

Tanner Financial Services LLC  
Partner: Gary Tanner 13404-E

Enterprise & Venture Management LLC  
Partner: Michael T. Allen 8713-R

Nama Jaber Omais CPA LLC  
Partner: Nama Omais 13997-E

N. Mark Freedman CPA LLC  
Partner: N. Mark Freedman 13277-R

Amy Lynne Bentley CPA PLLC  
Partner: Amy Lynne Bentley 14830-E

Healthcare Accounting PLLC  
Partner: Thomas P. Friezen 14259-R

Sheldon J. Epstein CPA PLLC  
Partner: Sheldon J. Epstein 8518-R

- b. Recommended for Registration of PC's for the following Applicants (Meet the requirements of A.R.S. § 32-734):

Ralph Hardwick CPA PC  
Partner: Ralph Hardwick 14030-R

HIG Consulting PC  
Partner: Allan Iedema 12085-E

Karen E. Williamson CPA PC  
Partner: Karen Elizabeth Williamson  
6296-E

Dynasty Quest of Arizona PC  
Partner: Steven P Siegel 13347-R

- c. Recommended for Firm Name Change:

The Eaton Group PC  
Eaton & Cecil PLLC 611-C  
Partner: Jay R. Eaton 4989-E

Moeller & Bryce PC  
Larry D. Moeller PC 1142-C  
Partners: Larry D. Moeller 7776-E  
Derrick S. Bryce 14448-E

D. Kennedy CPA PC  
D. Kennedy & Associate PC 2260-C  
Partner: Diane Kennedy 11008-R

Redmond Coy & Associate PLC  
Redmond Coy & Associates PLC 2020-L  
Partner: Edward P. Redmond 4239-R

- d. Request for Firm Cancellation – Do not wish to renew:

Douglas A. Gray CPA PC 1086-C  
Partner: Douglas A. Gray 3388-R

Susan B. Davis PC 2072-C  
Partner: Susan B. Davis 2137-E

Castillo, Fictum & Cleland CPA's PLC  
Partner: Jason W. Cleland 11722-E

Larry R. Youdelman CPA PC 739-C  
Partner: Larry Youdelman 7255-E

- e. Recommended for Cancellation of Certificate per registrant's request not to renew:
  - Martin Patrick Fox 3820-E
  - Scott Madison Carter 8240-E
  - Michael J. Muratore 7227-E
  - Victoria M. Hutchison-Timian 3435-E
  - Christine T. Mack 13113-R
  - Wah Lung Yau 9732-E
  - Richard Stephen Katz 1785-E
  - Terry Wong 2849-E
  - Julie B. Dosek 11777-E
  - Mark Albrecht 14011-R
  - Teri Sue Schwab 6608-E
  - Stephen R. Smith 1879-E
- f. Recommended for Cancellation of Certificate per registrant's request not to renew—  
Limited Reciprocity Privilege:
  - Richard G. Ueltschy 12574-R
  - Benjamin J. Cunningham 14404-R
  - John L. Kurkowski 14524-R
  - Kevin D. Rose 14750-R
- g. Recommended for Reissuance of Certificate because of Name Change:
  - Elizabeth A. Wethor (McAllister) 8862-R
  - Georgina Villalobos (Smith) 12623-E
  - Susan Marie Nusser (Lewis) 6995-E
  - Jennifer Katheryne Gurzenski (Gurzenski Williams) 9952-E
  - Kelly F. McDade (Kunzweiler) 13076-E
- h. Recommended for Reactivation of Certificate from Inactive Status – A.R.S. 32-730(E):
  - Julie A. Jentgen 10281-E
  - Hilton Richard Harris 4093-E
  - Jennifer Gurzenski 9952-E
  - Michelle L. Gammage 11808-R
- i. Recommendation of the Certification Committee for approval of Certification by  
Examination - A.R.S. §32-721:
  - Joseph Arsenault
  - Amanda N. Brown
  - Jacqueline A. Bruhn
  - Brandon G. Curtis
  - Matthew H. Dodson
  - Joshua Jackson
  - Xingli Zhang
  - Mark Lovstrom
  - Laura B. Miller
  - Paula Bresset Pejisa
  - Kesha A. Sager
  - J. Paul Breshears
  - Joshua L. Cline
  - Katherine M. Craer
  - Eric Deutsch
  - David M. Erskine
  - Shen Shien Lew
  - Deborah C. Michalwski
  - Brian K. Nelson
  - Svetiana B. Pitman
- j. Recommendation of the Certification Committee for approval of Certification by  
Reciprocity - A.R.S. § 32-724:
  - Dawn C. Bartel – Colorado
  - Thomas P. Koop – Minnesota
  - Christopher P. Torregrossa – Colorado
  - Maria Iannuzo – New York
  - Emily Koslow – New York

- k. Recommendation of the Certification Committee for approval of Certification by Reciprocity based on Substantial Equivalency - A.R.S. § 32-726(B):
- |                                 |                                  |
|---------------------------------|----------------------------------|
| Michelle Flynn – California     | Brandon Keim – Idaho             |
| Sandra C. Kemp – North Carolina | Ruth J. Gitzendanner – Indiana   |
| Nilesh Morar – Georgia          | David D. Motes – Washington      |
| Dennis Sizemore – Texas         | John J. O'Block – Ohio           |
| Michael D. Pickerd – Texas      | Richard B. Wiggins III - Alabama |
- l. Recommendation of the Certification Committee for approval of Certification by Grace Transfer - A.R.S. § 32-721:  
Daniel H. Martin – Wisconsin
- m. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:
- |                            |                          |
|----------------------------|--------------------------|
| Xiao Hua Yuan              | Joseph Arthur Abbott     |
| Melanie Kathleen Ball      | Laura Michelle Bliss     |
| Mark S. Bobowski           | Erik Alejandro Castillo  |
| Lawrence Chibvongodze      | Gregory Keith Clouse     |
| Ana Luisa Diaz             | Julie Ann Hail           |
| Joseph Fredrick Harding    | Tiffany Lynn Holtrup     |
| Denise Hughes              | Janet M. Hull            |
| Mason Gabriel Longstreth   | Danielle Jean Jones      |
| Donald Melvin Masters, Jr. | Deborah Shell MacIntire  |
| Joseph Michael Moeglein    | Jeremy David Miles       |
| Cindy Miriam Muhina        | Ericka Claudia Moore     |
| Brian Michael Petrauschke  | Taylor Ryan Otstot       |
| Benjamin Michael Pijawka   | Gina Roseann Piergallini |
| Michael Frank Rapant II    | Victoria Lynn Powell     |
| Aaron Saul Santillana      | Jeremy C. Reiss          |
| Georgi Krastev Stavrev     | Kent Andrew Seaman       |
| Deepika Vedula             | Steve Patrick Thomason   |
| June Marie Weyerman        | Gabor Veres              |
| Kathryn Louise Wright      | Gina Marie Wild          |

- n. Recommendation of the Peer Review Oversight Advisory Committee for approval of the following firms in compliance with A.A.C. R4-1-454:

Addison, C. Wesley, PC 2149-C	Clouser, Wayne H CPA 4899-S
Hammel Beal & Lauer PC 155-C	Hailey, C. Dennis CPA Ltd 427-C
Misenhimer Aivazian & Tennant PC 2118-C	Jaspers & Goggin PLLC 2773-L
Loeper, Dietrich F., CPA 5125-S	Thomas Zollars & Lynch Ltd 170-C
Stocking, David L, CPA Ltd 1080-C	Ridgway Tess CPA 5171-S
Appenzeller, Barbara, CPA PC 2373-C	Beyer & Taylor PC 36-C

- o. Approval of Candidates who have passed the Uniform CPA Examination:  
Alyx Anne Cohan

#### **CONSENT AGENDA**

A motion was made by James E. May, seconded by Patrick J. Ramirez and passed to approve the following consent agenda items:

- a. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants (Meet the requirements of A.R.S. § 32-735):

J. R. Robinett CPA PLC  
Partner: James R. Robinett 9080-E

*Mark L. Landy declared a conflict and did not vote.*

A motion was made by Gary W. Fleming, seconded by Patrick J. Ramirez and passed to approve the following consent agenda items:

- i. Recommendation of the Certification Committee for approval of Certification by Examination - A.R.S. §32-721:

Kelly Renee Weldner and Gary Michaels

*Debbi Fitzgerald declared conflicts and did not vote.*

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to approve the following consent agenda items:

- i. Recommendation of the Certification Committee for approval of Certification by Examination - A.R.S. §32-721:

Kristin D. St. Raymond

*Samuel L. Fogleman declared a conflict and did not vote.*

A motion was made by Patrick J. Ramirez, seconded by James E. May and passed to approve the following consent agenda items:

- m. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:

Cynthia Ann Johnson

*Gary W. Fleming declared a conflict and did not vote.*

- n. Recommendation of the Peer Review Oversight Advisory Committee for approval of the following firms in compliance with A.A.C. R4-1-454:

Corliss, Christopher R CPA 4539-S

*Mark L. Landy declared a conflict and did not vote.*

#### **EXECUTIVE DIRECTOR'S REPORT**

Monica L. Petersen, Executive Director, gave an update to the Board on the budget, Modernization, agency operations, NASBA and legislation.

After Ms. Petersen discussed the office's holiday plans, a motion was made by James E. May, seconded by Gary W. Fleming, and passed to approve closing the Board's office until 10:00 a.m. on December 12, 2008 for a staff holiday party.

A motion was made by James E. May, seconded by Debbi Fitzgerald, and passed to open a legislative bill to clear up statutory language, add CPE for Committee members and a provision for the Board to invest and divest the Board fund.

#### **EXECUTIVE SESSION**

A motion was made by Debbi Fitzgerald, seconded by James E. May and passed to go into Executive Session at 9:14 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 12:09 p.m.

#### **ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION**

##### **Board to Review Compliance or Non-Compliance with Decision & Orders (By Consent)**

File No. 2004.046; Hulse, Terri M.

Terri M. Hulse was present to address the Board regarding her late registration renewal. As of today, she stated she has paid her registration renewal and is now current.

A motion was made by James E. May, seconded by Gary W. Fleming and passed to issue a Decision and Order (By Consent) for a civil penalty of \$500.00 for non-compliance of her Order.

#### **COMMITTEE RECOMMENDATIONS – COMPLAINT/INITIAL ANALYSIS FILES**

File No. 2009.009

A motion was made by James E. May, seconded by Gary W. Fleming and passed to accept the Tax Practice Committee's recommendation to open an investigation file.

File No. 2009.013

A motion was made by James E. May, seconded by Gary W. Fleming and passed to accept the Accounting and Auditing Standards Committee's recommendation to close the complaint file, no violations of professional standards.

File Nos. 2009.018 & 2009.025

A motion was made by James E. May, seconded by Gary W. Fleming and passed to combine the files; open an investigation file and if the registrant responds to authorize Monica L. Petersen, Executive Director and Daniel Christl, Assistant Attorney General to settle with the registrant and if the registrant does not respond to proceed to file a Complaint and Notice of Hearing for revocation of the registrant's certificate and firm registration.

File No. 2009.020

A motion was made by James E. May, seconded by Gary W. Fleming and passed to accept the Accounting and Auditing Standards Committee's recommendation to close the complaint file, no violations of professional standards.

File No. 2009.030

A motion was made by James E. May, seconded by Gary W. Fleming and passed to open an investigation file and if the registrant responds to authorize Monica L. Petersen, Executive Director and Daniel Christl, Assistant Attorney General to settle with the registrant and if the registrant does not respond to proceed to include this with the other four files and proceed to file a Complaint and Notice of Hearing for revocation of the registrant's certificate and firm registration.

#### **COMMITTEE RECOMMENDATIONS – INVESTIGATION FILES**

File No. 2006.021

A motion was made by James E. May, seconded by Gary W. Fleming and passed to offer a Stipulated Settlement and Consent Order to include up to 24 months of probation; 16 hours of CPE in the areas of tax management and ethics for all tax professionals senior level and above and all audit professionals manager level and above. The 16 hours of CPE are to be in addition to the statutorily required CPE and all CPE is to be conducted in a classroom setting; and full reimbursement of the Board's investigation costs and administrative penalty of \$ 600,000.00



File No. 2008.039

A motion was made by James E. May, seconded by Gary W. Fleming and passed to offer a Decision and Order (By Consent) to include up to 12 months of probation; 16 hours of CPE in the areas of compilation and review standards. The 16 hours of CPE are to be in addition to the statutorily required CPE and all CPE is to be conducted in a classroom setting; and full reimbursement of the Board's investigation costs.

**COMMITTEE RECOMMENDATIONS – PEER REVIEW**

File No. 2009.026

A motion was made by James E. May, seconded by Gary W. Fleming and passed to accept the Peer Review Oversight Advisory Committee's recommendation to issue an Administrative Letter of Concern.

File No. 2009.027

A motion was made by James E. May, seconded by Gary W. Fleming and passed to accept the Peer Review Oversight Advisory Committee's recommendation to issue an Administrative Letter of Concern, as amended in executive session.

**NOTICES OF UNLAWFUL USE OF THE CPA DESIGNATION**

File No. 2009.029

A motion was made by James E. May, seconded by Gary W. Fleming and passed to accept the response and close the file.

**INITIAL ANALYSIS**

a. File No. 2007.060

No action taken.

**ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION**

**Board to Review Compliance or Non-Compliance with Decision & Orders (By Consent)**

File No. 2007.049; Hartman, Donald, CPA, PC

A motion was made by James E. May, seconded by Mark L. Landy and passed to offer a Decision & Order (By Consent) for suspension up to 12 months or until the firm completes a peer review for the firm renewal period of 2006 - 2008 and a civil penalty of \$500.00 for noncompliance with his current Consent Order (By Consent).

**Termination of Decision & Orders (By Consent)**

File No. 2007.080; Mars, Kurt

A motion was made by James E. May, seconded by Gary W. Fleming and passed to terminate the Consent Order and close the file.

File No. 2007.108; Irwin, Stephanie G.

A motion was made by James E. May, seconded by Mark L. Landy and passed to terminate the Consent Order and close the file.

**Request for CPE pre-approval and Classroom Waiver**

File No. 2007.114; Whisler, Gary C.

A motion was made by James E. May, seconded by Mark L. Landy and passed to approve his request for pre-approval of CPE and waiver of the classroom setting requirement.

File No. 2007.117; Conrad, Phyllis

A motion was made by James E. May, seconded by Mark L. Landy and passed to approve her request for pre-approval of CPE and waiver of the classroom setting requirement.

**Application for Certification by Examination/Grade Transfer, Deferral/Denial by Certification Committee - A.R.S. § 32-721**

Jerome W. Burggeman

Gary W. Fleming reviewed the file. A motion was made by Gary W. Fleming, seconded by James E. May and passed to deny the respondent's request for application for certification by examination because he did not meet the education requirements.

Michael R. Cole

Gary W. Fleming reviewed the file. A motion was made by Gary W. Fleming, seconded by James E. May and passed to deny the respondent's request for application for certification by examination because he did not meet the education requirements.

Larry C. Rogers

Mark L. Landy reviewed the file. A motion was made by Mark L. Landy, seconded by James E. May and passed to approve his application for certification by examination pursuant to A.R.S. § 32-721.

**Application for Uniform CPA Exam, Deferral/Denial by Certification Committee - A.R.S. § 32-723**

Xiaofei Wei

James E. May reviewed the file. A motion was made by James E. May, seconded by Gary W. Fleming and passed to deny her application for certification by reciprocity pursuant to A.R.S. § 32-723.

**Application for Certification by Reciprocity/Substantial Equivalency, Deferral by Certification Committee - A.R.S. § 32-726**

Dennis Michael Mydlowski

Mark L. Landy reviewed the file. A motion was made by Mark L. Landy, seconded by James E. May and passed to approve his application for certification by reciprocity pursuant to A.R.S. § 32-726.

Jonathan M. Poppel

Deferred action until the December Board meeting.

**Request for a CPE Waiver and/or Fee Waiver – A.R.S. § 32-730(C) & (D)**

James A. Spear 11565-R

Andris G. Grasis 2196-E

Brian Singer 7451-E

Pete Reisinger 9768-R

Scott L. Niel 7563-E

Mark Jonathan Schwartz 1282-E

A motion was made by Gary W. Fleming, seconded by James E. May and passed to grant their requests for CPE and Fee waivers.

**Request for a CPE Extension**

Clinton R. Wasser 4273-E

A motion was made by Gary W. Fleming, seconded by James E. May and passed to grant his request for a CPE extension for three months.

**Request for a NTS Extension**

Myra L. Taylor

Shruti Chopra

A motion was made by James E. May, seconded by Mark L. Landy and passed to grant their extension until March 30, 2009.

**Request for Reconsideration of Extension of Certification Timelines**

Gina Foroughi

A motion was made by James E. May, seconded by Gary W. Fleming and passed to grant her request and refer the file to the Certification Committee for further review.

**Request for Inactive Status – A.R.S. § 32-730**

Alan T. Chan 6500-E

Mark Michael Parrone 8591-E

A motion was made by James E. May, seconded by Gary W. Fleming and passed to grant their requests for inactive status.

**Application for Reinstatement – A.R.S. § 32-748:**

Lisa T. LoCascio 11359-E

A motion was made by James E. May, seconded by Mark L. Landy and passed to grant her application for reinstatement.

**Failure to Respond - A.R.S. § 32-741(A)(9) & (15):**

Elizabeth A. Lopez 10984-E

A motion was made by James E. May, seconded by Gary W. Fleming and passed to file a Complaint and Notice of Hearing for suspension of her certificate for failure to respond to the Board.

**Failure to Comply with CPE Requirements - A.R.S. § 32-741(C):**

Randall C. Reitz 10885-E

A motion was made by James E. May, seconded by Mark L. Landy and passed to offer a Decision and Order (By Consent) for suspension up to one year or until CPE requirements are met, and if not signed within 30 days to file a Complaint and Notice of Hearing for suspension for failure to comply with CPE requirements.

**Review of PROAC Policy Regarding EER's**

Deferred action.

**SUMMARY OF CURRENT EVENTS**

None.

**DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA**

Peer Review policy Consent Order language.

**ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION**

**Application for Certification by Examination/Grade Transfer, Deferral/Denial by Certification Committee - A.R.S. § 32-721**

Jerome W. Burggeman

Michael R. Cole

A motion was made by Gary W. Fleming, seconded by James E. May and passed to appoint Monica L. Petersen, Executive Director, or Jim Dubé, Deputy Director as a designated representative of the Board to conduct a informal settlement conference, if requested, with limited authority to settle.

**ADJOURNMENT**

A motion was made by James E. May, seconded by Mark L. Landy and passed to adjourn at 1:40 p.m.

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Patrick J. Ramirez, Member, President

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Debbi Fitzgerald, CPA, Treasurer

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Samuel L. Fogleman, CPA, Secretary

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Gary W. Fleming, CPA, Member

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Mark L. Landy, CPA, Member

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James E. May, Member